

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)

Applications of SBC Communications, Inc.)
and Southern New England Telecommunications)
Corporations for Transfer of Control of)
Southern New England Telecommunications)
Corporation to SBC Communications, Inc.)

CC Docket No. 98-25

RECEIVED

MAR 30 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

To: The Commission

PETITION TO DENY

Metrocall, Inc. ("Metrocall"), through its attorneys, and pursuant to Sections 214(c)¹ and 309(d) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996,² 47 U.S.C. §§ 214(c) & 309(d), hereby respectfully requests that the Commission deny the above-referenced application of SBC Communications, Inc. ("SBC") for transfer of control of Southern New England Telecommunications Corporation ("SNET") until such time as SBC agrees to cease and desist from its on-going FCC Rule violations.³ In support hereof, the

¹Section 214 of the Act provides that before a carrier may acquire any lines, the FCC must issue "a certificate that the present or future public convenience and necessity require" the acquisition. 47 U.S.C. § 214(a). The FCC "may attach to the issuance of the certificate such terms and conditions as . . . the public convenience and necessity may require." 47 U.S.C. § 214(c).

²Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (sometimes referred to herein as the "Act" or "Telecom Act").

³Pursuant to Public Notice, DA 98-381, released February 27, 1998, Petitions/Comments on the SBC/SNET Application are due on March 30, 1998. Therefore, this Petition to Deny is timely filed.

following is respectfully shown:⁴

I. Statement of Interest.

Metrocall provides nationwide and wide-area paging services to over 4 million subscribers from various locations throughout the United States. Through recent acquisitions and construction of its own facilities, Metrocall has become the second largest paging carrier in the country and is dedicated to meeting the growing public demand for rapid, efficient, and reasonably-priced one-way signalling services.

Metrocall as a paging carrier depends upon, and is a current customer of, local exchange carriers ("LEC" or "LECs") such as SBC and SNET, which provide Metrocall interconnection with the public telecommunications network. However, SBC has chosen to violate the Act and the FCC's Rules by charging illegal transport and termination charges. Moreover, SBC has threatened to "terminate" Metrocall's interconnection services and "take any and all appropriate actions" against Metrocall unless Metrocall agrees to pay these unlawful access charges.⁵ See Exhibit One attached hereto.

Metrocall provides paging services throughout New England, in areas currently served by SNET. Moreover, SBC will acquire SNET's cellular licenses in this territory; the Commission has found that cellular and paging carriers can and do compete with one another.⁶ SBC's

⁴The allegations contained herein are based on facts that have previously been certified to the FCC in other FCC proceedings. Hence, this Petition to Deny does not require any supporting affidavit. See 47 U.S.C. § 309(d).

⁵Letter from Keith E. Davis, attorney Southwestern Bell Telephone, to Frederick M. Joyce (Mar. 11, 1998).

⁶In the Matter of Implementation of Sections 3(n) and 332 of the Communications Act, GN Docket No. 93-252, 9 F.C.C.R. 1411, 74 Rad. Reg. 2d (P&F) 835 (1994); Second Annual Report: Competition in the Commercial Mobile Radio Services, FCC 97-75, 12 F.C.C.R. 11267

discriminatory and unjust treatment of paging carriers will thus not only affect Metrocall's interconnection rights in the subject territory, but may also place Metrocall at a competitive disadvantage vis. the commercial mobile radio service ("CMRS") operations to be acquired by SBC.⁷ Accordingly, Metrocall has standing and the Commission may grant this Petition.⁸

II. Standards for Review of this Proposed Merger.

According to Sections 214(a) and 310(d) of the Act, before the Commission can approve the transfers of licenses and other authorizations underlying a merger, the Commission must determine that the merger is in "the public interest, convenience and necessity."⁹ SBC and SNET bear the burden of demonstrating that the proposed transaction is in the public interest. "The public interest standard is a broad, flexible standard, encompassing the broad aims of the Communications Act. These 'broad aims' include, among other things, the implementation of Congress' 'pro-competitive, de-regulatory national policy framework' for telecommunications."¹⁰

SBC and SNET's burden is to demonstrate that the merger will be pro-competitive, *i.e.*, that the harms to competition, such as the enhanced market power that SBC will acquire, are

(1997).

⁷To allow the merger of SBC and SNET to proceed without imposing the condition that SBC stop assessing illegal transport and termination charges against Metrocall, and other one-way CMRS providers, would encourage SBC to continue to violate the Act and the Commission's Rules and Orders, to the detriment of millions of paging customers.

⁸Time Warner Entertainment Co., 10 F.C.C.R. 9300, 9302 (1995).

⁹Applications of NYNEX Corporation, Transferor, and Bell Atlantic Corporation, Transferee, 9 Comm. Reg. (P&F) 187, ¶ 2 (1997) ("BA/NYNEX Order").

¹⁰Id. (citing FCC v. RCA Communications, Inc., 346 U.S. 86, 93-95 (1953)).

outweighed by the benefits that will enhance competition.¹¹ This merger request in no way conforms to that statutory standard. SBC has openly and willfully violated the Commission's Rules and the Act, and has engaged in anticompetitive behavior.

III. SBC is in Violation of the Act and the Commission's Rules and Orders.

On August 8, 1996, the FCC released its Interconnection Order.¹² In pertinent part, the Interconnection Order promulgated rules for the implementation of the interconnection sections of the Act to achieve the goal of "ensuring [LEC-CMRS] interconnection on terms and conditions that are just, reasonable and fair."¹³ The Commission determined, pursuant to Section 251(b)(5) of the Act, inter alia, that LECs may not charge CMRS providers, or other telecommunications carriers, for terminating local LEC-originated traffic.¹⁴ That provision was codified in Section 51.703 of the Commission's Rules, 47 C.F.R. § 51.703. The Commission has defined such "local traffic" as traffic between an incumbent LEC and a CMRS network that originates and terminates within the same Major Trading Area.¹⁵

Soon after the Interconnection Order became effective, the United States Court of Appeals for the Eighth Circuit temporarily stayed certain rules implemented by the

¹¹Id. ¶ 2.

¹²Implementation of the Local Competition Provisions in the Telecommunications Act, First Report and Order, 11 F.C.C.R. 15499, CC Docket Nos. 95-128 & 96-98 (1996) ("Interconnection Order").

¹³Id. ¶ 1023.

¹⁴Id. ¶ 1042.

¹⁵Id. ¶ 1043; codified as 47 C.F.R. § 51.701(b)(2).

Interconnection Order.¹⁶ On November 1, 1996, the Eighth Circuit exempted most of the rules governing LEC-CMRS interconnection from the stay order.¹⁷ The lifting of the "erroneous stay" respecting the pertinent LEC-CMRS interconnection rules caused the effective date of those rules to revert back to September 30, 1996, the original effective date of the Interconnection Order.¹⁸ On July 18, 1997, the Eighth Circuit issued its final decision concerning the appealed provisions of the Interconnection Order. In pertinent part, the Court held that the FCC has authority to promulgate rules regarding LEC-CMRS interconnection.¹⁹

Metrocall, in November of 1996, began written contacts with SBC and its recently acquired affiliate Pacific Bell to request that they cease charging Metrocall for local transport, direct inward dialing ("DID") numbers, and the facilities used for local transport. Metrocall recently consummated an FCC-approved merger with ProNet Communications, Inc. ("ProNet"), another paging company (i.e. CMRS provider), which also relies on SBC for interconnection in Missouri, Arkansas, Texas, Oklahoma, California and Nevada, its respective service areas.

On December 30, 1997, the Common Carrier Bureau issued a letter on this same subject concluding that LECs cannot charge paging service providers for the cost of LEC transmission facilities that are used on a dedicated basis to deliver to paging service providers local

¹⁶Iowa Utilities Bd. v. FCC, No. 96-3321 (8th Cir. 1996).

¹⁷See Order Lifting Stay in Part, No. 96-3321 (8th Cir. Nov. 1, 1996).

¹⁸Federal precedent holds that where a court grants preliminary relief suspending the effect of an administrative order, which relief later proves to be unwarranted, the party injured by the stay "is entitled . . . to be restored by his adversary to that which he has lost thereby." Middlewest Motor Freight Bureau v. United States, 433 F.2d 212, 226 (8th Cir. 1970), cert. denied, 402 U.S. 999 (1971). In such cases, the agency's order is "at all times binding . . . until [petitioners] successfully conclude a suit proving its invalidity" Id. at 242.

¹⁹Iowa Utilities Bd., 120 F.3d 800 n.21.

telecommunications traffic that originates on the LEC's network.²⁰

In spite of this decision, SBC is continuing to assess on Metrocall illegal transport and termination charges, in violation of the Act, and the Commission's Rules and Orders. Indeed on January 30, 1998, SBC asked the Commission to issue a stay order for its LEC/CMRS rules, essentially conceding that it is violating these FCC Rules merely because it disagrees with the Bureau's interpretation of them.²¹

On January 20, 1998, Metrocall filed a formal complaint against SBC (as well as other LECs, but not including SNET) with the Common Carrier Bureau's Enforcement Division to stop SBC and other LECs from assessing illegal transport and termination charges, in violation of the Act and the Commission's Rules and Orders, and to recover damages for past unlawful charges.²² In SBC's joint answer to Metrocall's complaint, SBC merely restated its belief that the Bureau Letter is mistaken, and that it therefore has no intention of complying with the Bureau's ruling or the FCC's Interconnection Rules.²³

²⁰Letter from A. Richard Metzger, Jr., Chief, Common Carrier Bureau, to Keith Davis, Kathleen Q. Abernathy, Judith St. Ledger-Roty, Cathleen A. Massey, and Mark Stachiw (Dec. 30, 1997) DA 97-272 ("Bureau Letter").

²¹SBC Petition for Stay Pending Commission Review, CCB/CPD Docket No. 97-24, (filed Jan. 30, 1998). See also Reply Comments of Southwestern Bell Telephone Company, Pacific Bell, Nevada Bell, and GTE on Petition for Stay Pending Commission Review (filed Feb. 17, 1998).

²²In the Matter of Metrocall v. BellSouth Communications, et. al, File No. E-98-14 et al., (filed Jan. 20, 1998).

²³Answer of BellSouth Telecommunications, Inc., Pacific Bell, Southwestern Bell Telephone Company, and US West Communications, Inc at 2. See also, Motion of BellSouth Telecommunications, Inc., Pacific Bell, Southwestern Bell Telephone Company, and US West Communications, Inc. To Hold Complaint in Abeyance, (filed Mar. 18, 1998), where the LECs state "[n]othing in the language of the rule or in the Local Competition Order, prohibits Defendants from imposing charges for dedicated facilities. Metrocall, however, relies on the

IV. The FCC Should Impose Strict Conditions On the Merger.

Section 310(d) of the Act provides that no transfer of control of a license may be granted except "upon finding by the Commission that the public interest, convenience and necessity will be served thereby."²⁴ The effects of a proposed transaction on competition is a factor that the Commission may consider in determining whether a particular transaction will serve the public interest.²⁵ Similarly, conduct by a prospective transferee that shows a propensity to disobey the Commission's Rules and orders is a factor in determining whether a transfer authorization should be granted.²⁶ SBC's blatant disregard of the Interconnection Order, and the FCC's procompetitive policies embodied therein, should be proof enough for the Commission that SBC will continue to use its monopoly power in the territory to be acquired in a manner that will stifle competition and to flout the Act and the FCC's Rules.

As courts have previously recognized, in evaluating whether applicants have demonstrated that a merger is in the public interest, the Commission must consider the merger in light of "the trends and needs of the industry" as a whole, the factors that "influenced Congress to make specific provision for the particular industry," and the complexity and rapidity of change

interpretation of section 51.703(b) adopted by the Common Carrier Bureau in the Metzger Letter. Despite the plain language of the rule, the Bureau decided that section 51.703(b) prohibits not only charges for traffic, but also charges for dedicated facilities used to deliver that traffic to the paging carrier's network."

²⁴47 U.S.C. § 310(d).

²⁵BA/NYNEX Order ¶ 7.

²⁶Cf. "Policy Regarding Character Qualifications in Broadcast Licensing," 102 FCC2d 1179, 1183 n. 11 (1986), recon. granted in part, denied in part, 1 F.C.C.R. 421 (1986) (citations omitted); applied to common carrier licensees in In the Matter of TeleSTAR Inc., 3 F.C.C.R. 2860 (1988).

in the industry.²⁷ Consistent with the Act's emphasis on fair competition and deregulation, it is incumbent upon applicants to prove that, on balance, a merger will enhance and promote, rather than eliminate or retard, competition.²⁸ The competition and deregulation Congress sought to foster extends not just to traditional local telephone service, but to related interstate access services such as those provided by CMRS carriers.²⁹

If the Commission approves the merger between SNET and SBC, SBC will continue to impose illegal transport and termination charges on paging carriers, in existing and new service territories, in violation of the Act and the Commission's Rules and Orders. A similar concern was raised by the Association of Directory Publishers in its Petition to Deny SBC's merger with Pacific Telesis Group. In that case, the Commission expressed concern about the anticompetitive behavior exhibited by SBC; nevertheless, the Commission concluded that there was no evidence that the behavior in question was ongoing or had been implemented throughout SBC's territory.³⁰

The facts are far more troubling with respect to SBC's CMRS interconnection practices.

²⁷BA/NYNEX Order, citing FCC v. RCA Communications, Inc., 346 U.S. 93-95, 98.

²⁸Id.

²⁹Id.

³⁰The behavior in question involved the United States Court of Appeals for the Fifth Circuit finding that SBC violated Section 2 of the Sherman Act which forbids monopolization and attempted monopolization. Great Western Directories, Inc. v. Southwestern Bell Corp., 1993 WL 463146 (N.D. Tex.), 1993 WL 755366 (N.D. Tex.) (Amended Final Judgement), affirmed in part and reversed in part, 63 F.2d 1378 (5th Cir. 1995), petition for rehearing en banc granted in part and denied in part, 74 F.3d 613 (5th Cir. 1996), vacated pursuant to settlement, cert. denied, 135 L. Ed. 2d 1120 (1996), cited in In re Applications of Pacific Telesis Group, Transferor, and SBC Communications, Inc., Transferee, Memorandum Opinion and Order, 6 Comm. Reg. (P&F) 137 (1997).

In this case, SBC's unlawful imposition of transport and termination charges against paging carriers is widespread and continuing, despite a ruling from the Common Carrier Bureau, in response to SBC's request for clarification, specifically declaring that SBC's conduct violates the FCC's Rules.³¹

In its comments in response to an FCC Public Notice regarding the rules for interconnection between LECs and paging carriers,³² SBC stated that it would continue to charge paging carriers for facilities as long as the Eighth Circuit's stay of Rule 51.709(b) was in effect.³³ That stay was lifted in November, 1996 with respect to the CMRS rules.³⁴ On July 18, 1997, the Eighth Circuit upheld Section 51.709(b).³⁵ Nonetheless, SBC continues to assess illegal interconnection charges on Metrocall, including "transport termination capability" and "special transport" fees, in all of its territories. See SBC's recent invoices, attached hereto as Exhibit Three.

In response to Metrocall's formal complaint, SBC and other BOCs jointly raised the

³¹Indeed SBC has already demonstrated that it will impose interconnection charges in territories it acquires through merger agreements; SBC has imposed, and continues to impose, interconnection charges on Metrocall throughout Pacific Bell's previous territories. See Pacific Bell's recent invoices and Metrocall's chart of interconnection charges attached hereto as Exhibit Two.

³²Comments of Southwestern Bell Telephone Company, Pacific Bell, and Nevada Bell in response to In re Requests for Clarification of the Commission's Rules, CCB/CPD 97-94 at 8 (June 13, 1997)("Comments").

³³Section 51.709(b) states that "[t]he rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers' networks shall recover only the costs of the proportion of that trunk capacity used by an interconnection carrier to send traffic that will terminate on the providing carrier's network." 47 C.F.R. § 51.709.

³⁴See Supra note 18 and accompanying text.

³⁵Iowa Utilities Bd. v. FCC, No. 96-3321, 800 (8th Cir. 1996).

"affirmative defense" that they refused to honor the FCC's Rules because they believe that the Common Carrier Bureau's interpretation of the interconnection rules is in error.³⁶ In other words, alone among all carriers and licensees regulated by the FCC, SBC and the BOCs believe they are entitled to break any laws with which they disagree. A grant of this merger request will undoubtedly convey the message that lawbreakers will be treated by the FCC the same as law abiding carriers.

SBC's conduct, its open admissions to the FCC that it is a lawbreaker, its continual assessment of local transport and termination charges on Metrocall throughout its territories, and its cavalier justification for those acts (i.e., that it disagrees with the Common Carrier Bureau's ruling) are irrefutable facts. These facts prove that SBC has every intention of charging Metrocall and other paging carriers illegal transport and termination charges in whatever territories it controls, including SNET's territories, if the Commission approves this merger.

The Commission has previously imposed conditions on mergers under the public interest standard and should do so here.³⁷ In previous cases, these conditions were imposed by the Commission to ensure that the merging entities: 1) were in compliance with the Act, or, 2) did not harm competition in the relevant markets. For instance, in the BA/Nynex Order, the Commission imposed conditions on the merger which ensured the parties' adherence to the Commission's interconnection, collocation and unbundled network elements rules.³⁸ It should

³⁶Answer of BellSouth Telecommunications, Inc., Pacific Bell, Southwestern Bell Telephone Company, and US West Communications, Inc., at 2.

³⁷BA/NYNEX Order at Section IV; Merger of MCI Telecommunications Corp. and British Telecommunications, Memorandum Opinion and Order, Docket No. 96-245, ¶ 178 (1997).

³⁸BA/NYNEX Order ¶ 216.

also be noted that Bell Atlantic and NYNEX, unlike SBC, have voluntarily complied with the LEC-CMRS provisions of the Interconnection Order since the effective date of those rules. If the Commission found it appropriate to place conditions upon the merger of two LECs who have honored the FCC's Interconnection Rules and policies, a proposed merger involving non-complying LECs presents an even more compelling case for imposing conditions.

The Telecom Act and the Commission's Rules thereunder were created to foster competition and protect the public interest.³⁹ Indeed, the Telecom Act reflects Congress' judgment that a competitive telecommunications environment serves the public interest better than the "old" regime of monopoly LECs controlling the bottleneck network facilities on which all carriers and their customers rely. Therefore, if one party to this proposed merger, such as SBC, is in violation of the Act and the Commission's Rules, it would certainly be in the public's interest for the Commission to impose conditions on that merger to guard and promote these pro-competition mandates. The Commission should condition its approval of this merger on SBC's compliance with the Interconnection Order and the FCC's Interconnection Rules.

³⁹See H.R. Rep. 104-458, 94th Congr., 2d Sess. 209 (1996); see also BA/NYNEX Order ¶ 4.

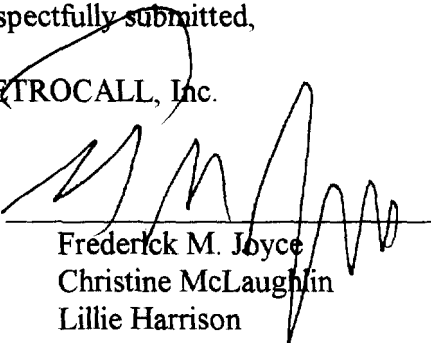
CONCLUSION

WHEREFORE, the foregoing premises considered, Metrocall respectfully requests that the Commission deny the above-referenced application or, in the alternative, condition a grant of the above-referenced application on SBC's compliance with the Interconnection Order, the rules promulgated therein, and the Common Carrier Bureau's interpretation thereof.

Respectfully submitted,

METROCALL, Inc.

By



Frederick M. Joyce
Christine McLaughlin
Lillie Harrison

Its Attorneys

JOYCE & JACOBS, Attorneys at Law, L.L.P.
1019 19th Street, N.W.
14th Floor (PH#2)
Washington, D.C. 20036
(202) 457-0100

March 30, 1998



March 11, 1998

Via Airborne

Mr. Frederick M. Joyce
Joyce & Jacobs
Fourteenth Floor
1019 19th Street, NW
Washington, DC 20036

Keith E. Davis
Attorney

Re: Metrocall Local Interconnection

Dear Mr. Joyce:

I am writing in response to your letter to Ms. Christine Jines dated March 3, 1998, stating your client's intention, unilaterally, to cease paying for facilities ordered by your client pursuant to tariff from Southwestern Bell Telephone Company and pursuant to contracts from Pacific Bell.

As you know from your active participation in Docket No. 97-24, we strongly disagree that either the FCC's local transport rules or the Bureau's December 30, 1997, letter provides any justification for Metrocall's refusal to pay for facilities that it has ordered. Your client's refusal to pay amounts due and owing under these existing tariffs and contracts is unlawful and Southwestern Bell Telephone Company and Pacific Bell reserve the right to take any and all appropriate action in response.

You may rest assured, however, that, pursuant to standard procedures, Metrocall will be notified well in advance of any decision to terminate any facilities or services provided to it.

Very truly yours,

A handwritten signature in black ink, appearing to read "K.E. Davis", written over a horizontal line.

cc: Robert W. Spangler, Chief/FCC Enforcement Division
Debra S. Sabourin, Staff Atty/FCC Enforcement Division

One Bell Plaza
Room 2900
P.O. Box 655521
Dallas, Texas 75265-5521

Phone 214 464-8583
Fax 214 464-1138

CUSTOMER SERVICE RECORD

RTU Type 1 Direct-In-Dial Svc.

ACCOUNT NUMBER 619.614.8000 109 8 6

BILL DATE OCTOBER 4, 1997

PACIFIC BELL.

A Pacific Telesis Company

BILL NAME

PRONET MEDICAL COMM

MAILING
ADDRESS

ATTN JANE M. WISE
6340 LBJ FREEWAY
DALLAS TX

75240-8402

DATE QTY DESCRIPTION AMOUNT

SUMMARY OF SERVICES

ACCOUNT IS TAX EXEMPT

Your Service is Located at:
3750 Convoy
(Suite 312)
SD

PACIFIC BELL MONTHLY CHARGES

Monthly Service

1	1	RTU Type 1 Direct-In-Dial Svc	
2	1	Paging Service Connection	41
		Arrangement 1st 100 Numbers	
3	19	Direct-In-Dial Numbers-	7.79
		Additional Block of 100 Nos.	
4	4	RTU Type 1 Direct-In-Dial	85.96
		Trunk	
5	4	Type 1 DID Ckt Term.	73.24

THESE AMOUNTS CAN BE FOUND IN THE
MONTHLY CHARGES SECTION(S) OF YOUR BILL.

PACIFIC BELL PRODUCTS AND SERVICES

SYSTEM SERVICES

6	1	RTU Type 1 Direct-In-Dial Svc	
7	1	Direct-In-Dial Numbers-	41
		Additional Block of 100 Nos.	
		B 5149100	
		Cellular Carrier Trunk Number	
		5149100-5149199	
		No Collect-3rd Number Billing	

05-05-97
05-05-97

(continues)

E - Tax Exempt

CUSTOMER SERVICE RECORD

RTU Type 1 Direct-In-Dial Svc

ACCOUNT NUMBER 618 614 8888 100 8 6
BILL DATE OCTOBER 4, 1997

PACIFIC BELL PRODUCTS AND SERVICES

SYSTEM SERVICES (continued)

1	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. C 5149200 Cellular Carrier Trunk Number 5149200-5149299 No Collect-3rd Number Billing	.41	05-05-97
2	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. D 5149300 Cellular Carrier Trunk Number 5149300-5149399 No Collect-3rd Number Billing	.41	05-05-97
3	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. E 5149400 Cellular Carrier Trunk Number 5149400-5149499 No Collect-3rd Number Billing	.41	05-05-97
4	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. F 5149500 Cellular Carrier Trunk Number 5149500-5149599 No Collect-3rd Number Billing	.41	05-05-97
5	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. G 5149600 Cellular Carrier Trunk Number 5149600-5149699 No Collect-3rd Number Billing	.41	05-05-97
6	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. H 5149700 Cellular Carrier Trunk Number 5149700-5149799 No Collect-3rd Number Billing	.41	05-05-97
7	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. I 5149800 Cellular Carrier Trunk Number 5149800-5149899 No Collect-3rd Number Billing	.41	05-05-97
8	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. J 5149900 Cellular Carrier Trunk Number 5149900-5149999 No Collect-3rd Number Billing	.41	05-05-97

(continues)

E = Tax Exempt

CUSTOMER SERVICE RECORD

RTU Type 1 Direct-In-Dial Svc		ACCOUNT NUMBER 619 514 9000 109 S 6
		BILL DATE OCTOBER 4, 1997
PACIFIC BELL. A Pacific Telesis Company	BILL NAME	PRONET MEDICAL COMM
	MAILING ADDRESS	ATTN JANE M WISE 6340 LBJ FREEWAY DALLAS TX 75240-8402

ITEM	QTY	DESCRIPTION	AMOUNT	DATE
PACIFIC BELL PRODUCTS AND SERVICES				
SYSTEM SERVICES (continued)				
1	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. K 9000 Cellular Carrier Trunk Number 8749000-8749099 No Collect-3rd Number Billing	.41	05-05-97
2	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. L 9100 Cellular Carrier Trunk Number 8749100-8749199 No Collect-3rd Number Billing	.41	05-05-97
3	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. M 9200 Cellular Carrier Trunk Number 8749200-8749299 No Collect-3rd Number Billing	.41	05-05-97
4	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. N 9300 Cellular Carrier Trunk Number 8749300-8749399 No Collect-3rd Number Billing	.41	05-05-97
5	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. O 9400 Cellular Carrier Trunk Number 8749400-8749499 No Collect-3rd Number Billing	.41	05-05-97
6	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. P 9500 Cellular Carrier Trunk Number 8749500-8749599 No Collect-3rd Number Billing	.41	05-05-97
7	1	Direct-In-Dial Numbers- Additional Block of 100 Nos. Q 9600 Cellular Carrier Trunk Number 8749600-8749699 No Collect-3rd Number Billing	.41	05-05-97
(continues)				

E = Tax Exempt

CUSTOMER SERVICE RECORD

RTU Type 1 Direct-In-Dial Svc		ACCOUNT NUMBER 618 514 9000 100 3 6	
		BILL DATE OCTOBER 4, 1997	
PACIFIC BELL PRODUCTS AND SERVICES			
SYSTEM SERVICES (continued)			
1	1 Direct-In-Dial Numbers- Additional Block of 100 Nos. R 9700 Cellular Carrier Trunk Number 8749700-8749799 No Collect-3rd Number Billing	.41	05-05-97
2	1 Direct-In-Dial Numbers- Additional Block of 100 Nos. S 9800 Cellular Carrier Trunk Number 8749800-8749899 No Collect-3rd Number Billing	.41	05-05-97
3	1 Direct-In-Dial Numbers- Additional Block of 100 Nos. T 9900 Cellular Carrier Trunk Number 8749900-8749999 No Collect-3rd Number Billing	.41	05-05-97
4	1 Paging Service Connection Arrangement 1st 100 Numbers A 5149000 Cellular Carrier Trunk Number 5149000-5149099 No Collect-3rd Number Billing	.41	05-05-97
5	1 Type 1 DID Ckt Term	18.31	05-05-97
6	1 Type 1 DID Ckt Term	18.31	05-05-97
7	1 Type 1 DID Ckt Term	18.31	05-05-97
8	1 Type 1 DID Ckt Term	18.31	05-05-97
INDIVIDUAL LINE(S)			
618 514 9000			
9	1 RTU Type 1 Direct-In-Dial Trunk ES Network Channel Code SB-Y Network Channel Interface 04DS9.15 No Collect-3rd Number Billing Connecting Facility Assignment 163 T1 01 SNDGCACNW02 SNDGCA03	16.49	05-05-97
10	1 Reference A TERM SNDGCA03 SERV SNDGCA03DS1		05-05-97
(continues)			

E - Tax Exempt

CUSTOMER SERVICE RECORD

RTU Type 1 Direct-In-Dial Svc		ACCOUNT NUMBER 619 514 9000 109 S 6	BILL DATE OCTOBER 4, 1997
PACIFIC*BELL. A Pacific Telesis Company		BILL NAME PRONET MEDICAL COMM ATTN JANE M WISE MAILING ADDRESS 6340 LBJ FREEWAY DALLAS TX	75240-8402

QTY	DESCRIPTION	AMOUNT	DATE
PACIFIC BELL PRODUCTS AND SERVICES			
INDIVIDUAL LINE(S) (continued)			
619 514 9000			
1	1 Reference B DTMF WINK START 7 DIGIT OUTPULSING		05-05-97
2	1 Reference C TEST S 514-91989290 9296 9298		05-05-97
619 514 9001			
3	1 RTU Type 1 Direct-In-Dial Trunk ES Network Channel Code SB-Y Network Channel Interface 04DS9.15 No Collect-3rd Number Billing Connecting Facility Assignment 163 T1 02 SNDGCACNW02 SNDGCA03	16.49	05-05-97
619 514 9002			
4	1 RTU Type 1 Direct-In-Dial Trunk ES Network Channel Code SB-Y Network Channel Interface 04DS9.15 No Collect-3rd Number Billing Connecting Facility Assignment 163 T1 03 SNDGCACNW02 SNDGCA03	16.49	05-05-97
619 514 9003			
5	1 RTU Type 1 Direct-In-Dial Trunk ES Network Channel Code SB-Y Network Channel Interface 04DS9.15 No Collect-3rd Number Billing	16.49	05-05-97
(continues)			

E - Tax Exempt

CUSTOMER SERVICE RECORD

RTU Type 1 Direct-In-Dial Svc

ACCOUNT NUMBER 619 514 9000 100 S 6
BILL DATE OCTOBER 4, 1997

PACIFIC BELL PRODUCTS AND SERVICES

INDIVIDUAL LINE(S) (continued)

619 514 9003

Connecting Facility Assignment
163 T1 04 SNDGCACNW02 SNDGCA03

RTU Type 1 Direct-In-Dial Svc
Account Number
209 635-5000 999 N 2159

Statement Date
May 11, 1997

METROCALL OF DELAWARE
INC ATTN ACCTS PYBLE
PO BOX 6650
ALEXANDRIA VA
22306-0650

Page 1

233438

Previous Charges	Amount of last bill	298.12
	Payment(s). Thank you. 4/15	147.94cn
	Payment(s). Thank you. 5/07	150.18cn
	Credits and Adjustments.	4.69cn
	Credit Balance	4.69cn

Current Charges	Pacific Bell	Page 3	147.96
			147.96

Total Due	Due by Jun 11, 1997	2143.27
	LATE CHARGE REMINDER. A late charge may apply on Jun 13 if your payment has not been received. (See Reverse)	

Whom to Call	Pacific Bell - payment arrangements and billing questions:	800-228-6567
	Pacific Bell - adding, changing or disconnecting service:	800-548-6771
	When calling from outside California (Call collect if not 800#):	Call Operator

Work At Home? Do you need help setting up your home office? Do you telecommute and want to make better use of your phone service? Call Work at Home Resources at 1-800-700-1100 for a free consultation.

Shirley Davis
714 284-2598

PAID
6/15

87923

Crest Bank
Alexandria, Virginia

750

COUNT

143.27

EXHIBIT TWO
Page 8 of 15

619 514-9000 109 S 6164

Statement Date
Nov 4, 1997

PRONET MEDICAL COMM.
ATTN JANE M WISE
6340 LBJ FREEWAY
DALLAS TX
75240-6402

Page 1

Previous Charges	Amount of last bill	447.06
	Payment(s). Thank you. 10/15	147.54 ^{ca}
	Unpaid Balance. Please pay now (please deduct if paid).	299.52
Current Charges	Pacific Bell	Page 3 147.43
	Current Charges due by Dec 1, 1997	147.43
Total Due		\$446.95

LATE CHARGE REMINDER. A late charge may apply on Dec 9 if your payment has not been received. (See Reverse)

Whom to Call	Pacific Bell - payment arrangements and billing questions:	800-228-6567
	Pacific Bell - adding, changing or disconnecting service:	800-548-6773
	When calling from outside California (Call collect if not 800#):	Call Operator

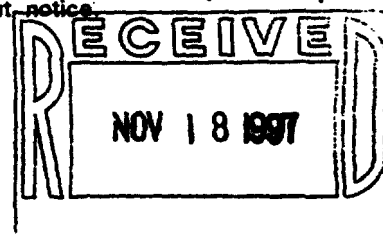
Directory Assistance 411. Good News! Directory Assistance is as easy as dialing 411. If your area code is 619 or 760, now you only have to dial 411 to reach directory assistance in either area code. You no longer need to dial the area code + 555-1212. For an additional 35 cents, we will also connect you to your requested number.

Find out how EASY 8 can help you:

- Increase sales with toll-free 800/888 service
- Attract new business and enhance customer service
- Eliminate collect calls and reduce cost to check voice mail

Order EASY 8 and start saving with our \$.10 per minute flat rate service. Call 1-800-886-7600.

Rates, terms & conditions subject to change without notice.



DETACH & RETURN THIS PORTION WITH PAYMENT

Statement Date Nov 4, 1997
Payment Due Dec 1, 1997

Account Number 619 514 9000 109 164 S 6
Total Due \$446.95

Enter Amount Paid > > >

Make Check Payable to Pacific Bell.

\$

336.5.111.27201 1 A8 0.261

VN/BL



PRONET MEDICAL COMM
ATTN JANE M WISE
6340 LBJ FREEWAY
DALLAS TX

75240-6402



PACIFIC BELL
PAYMENT CENTER
VAN NUYS CA 91388-0001

101 5149000 109 619 164

0000029952 348 82057 0000044695

RR

11/19/97

EXHIBIT TWO
Page 9 of 15

J164

Statement Date
Nov 4, 1997

Page 2

Summary of Current Charges

This summary is for informational purposes only.

• Pacific Bell

Bill Section	Page	Calls	Minutes	Amount
Monthly Charges	3			151.89
Taxes & Surcharges	3			4.46
Total Pacific Bell Current Charges				147.43

Total Summary of Current Charges

\$147.43

Statement Date
Nov 4, 1997

Page 3

EXHIBIT TWO
Page 10 of 15

I bill?

Call Operator

Pacific Bell Monthly Charges

• Monthly Service From Nov 4, 1997 thru Dec 3, 1997		147.40
• Service Charges		
Date	Description	Amount
1. Nov 7	Late Charge on \$299.52	4.49
	Unpaid Balance as of Nov 7, 1997	
Total Pacific Bell Monthly Charges		\$151.89

Taxes & Surcharges

Description	Amount
2. Rate Surcharge	4.82
3. State Regulatory Fee	.16
Total Taxes & Surcharges	\$4.46

The 619 area code is running out of numbers!
The telecommunications industry is considering
various solutions.

Please attend one of these meetings to provide your comments.

DATE: November 12, 1997
TIME: 1 pm to 3 pm
LOCATION: Chula Vista Council Chambers
276 4th Avenue
Chula Vista, CA

DATE: November 12, 1997
TIME: 7 pm to 9 pm
LOCATION: La Mesa Council Chambers
8130 Allison Avenue
La Mesa, CA

DATE: November 13, 1997
TIME: 1 pm to 3 pm
LOCATION: San Diego City Hall
Committee Room
202 C Street, 12th Floor
San Diego, CA

DATE: November 13, 1997
TIME: 7 pm to 9 pm
LOCATION: Poway Community Auditorium
13094 Bowron Road
Poway, CA

CUSTOMER SERVICE RECORD

Number 619 514 9000

EXHIBIT TWO
Page 11 of 15

PACIFIC BELL

A Pacific Telesis Company

October 4, 1997

For questions about:

- o the Pacific Bell services you subscribe to, call your Order Department (800) 548-6771
- o your Pacific Bell monthly service charges, call your Billing Department (800) 228-6567

8257.5.97.18831 1 AB 0.261

VN/BL

|||||

PRONET MEDICAL COMM

ATTN JANE M WISE

6340 LBJ FREEWAY

DALLAS TX

75240 - 6402

THIS IS NOT A BILL. NO PAYMENT REQUIRED.

METROCALL INTERCONNECT

Vendor	Service Type	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Total
Amditech	Type I	\$0	\$0	\$0	\$704	\$0	\$578	\$6,884	\$6,721	\$11,352	\$13,741	\$8,128	\$3,239	\$3,478	\$14,799	\$11,189	\$ 78,776.82
	Type II	\$0	\$0	\$0	\$0	\$0	\$0	\$4,947	\$4,968	\$5,028	\$6,037	\$0	\$0	\$0	\$0	\$0	29,880.37
Total	Type I&II	\$0	\$0	\$0	\$704	\$0	\$578	\$10,841	\$10,719	\$16,380	\$19,778	\$8,128	\$3,239	\$3,478	\$14,799	\$11,189	\$88,776.82
% Inv Missing		100%	100%	100%	83%	100%	83%	73%	40%	80%	33%	80%	87%	69%	20%	73%	72%
Bell Atlantic	Type I	\$200,261	\$197,425	\$78,816	\$125,883	\$44,149	\$76,489	\$120,787	\$80,731	\$83,513	\$111,786	\$143,917	\$178,348	\$163,961	\$322,808	\$88,003	\$ 2,837,813.77
	Type II	\$2,136	\$1,232	\$377	\$1,780	\$241	\$644	\$308	\$487	\$1,384	\$1,385	\$4,823	\$888	\$888	\$7,135	\$884	\$23,788.81
Total	Type I&II	\$202,398	\$198,658	\$79,193	\$127,663	\$44,390	\$77,133	\$121,103	\$81,198	\$84,897	\$113,171	\$148,740	\$179,236	\$164,849	\$330,043	\$88,887	\$2,861,602.58
% Inv Missing		57%	58%	74%	78%	82%	80%	75%	87%	82%	62%	65%	64%	67%	16%	81%	86%
Bell South	Type I	\$16,984	\$15,254	\$18,873	\$14,707	\$16,646	\$18,133	\$18,235	\$18,230	\$18,247	\$18,783	\$21,158	\$20,819	\$26,866	\$33,174	\$48,562	\$ 284,778.83
	Type II	\$117,087	\$111,889	\$111,984	\$108,381	\$114,808	\$116,318	\$133,783	\$138,804	\$137,314	\$137,582	\$140,217	\$188,888	\$151,738	\$154,370	\$118,888	\$ 1,946,108.88
Total	Type I&II	\$134,071	\$127,143	\$130,857	\$123,088	\$131,454	\$134,451	\$152,018	\$157,034	\$155,561	\$156,365	\$161,375	\$209,707	\$173,604	\$208,744	\$167,450	\$2,230,887.71
% Inv Missing		48%	50%	60%	48%	48%	48%	42%	40%	40%	40%	38%	38%	28%	22%	82%	41%
GTE	Type I	\$18,705	\$19,141	\$17,443	\$10,081	\$8,108	\$5,087	\$11,338	\$1,485	\$2,746	\$7,532	\$2,535	\$4,084	\$7,273	\$48,583	\$28,873	\$ 181,183.73
	Type II	\$18,418	\$18,587	\$14,405	\$0	\$0	\$11,371	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,178	\$11,680	\$ 85,837.83
Total	Type I&II	\$37,123	\$37,728	\$31,848	\$10,081	\$8,108	\$16,458	\$11,338	\$1,485	\$2,746	\$7,532	\$2,535	\$4,084	\$7,273	\$66,761	\$40,553	\$276,021.56
% Inv Missing		41%	48%	48%	68%	72%	72%	72%	63%	83%	79%	63%	79%	76%	14%	82%	86%
Pac Bell	Type I	\$32,110	\$29,976	\$1,867	\$835	\$828	\$847	\$0	\$0	\$0	\$0	\$0	\$328	\$83	\$37,219	\$23,326	\$ 127,478.82
	Type II	\$20,488	\$43,098	\$18,745	\$16,588	\$17,923	\$18,220	\$16,438	\$16,848	\$14,882	\$15,158	\$17,620	\$13,773	\$15,588	\$61,541	\$14,818	\$ 307,888.77
Total	Type I&II	\$52,598	\$73,074	\$20,612	\$17,504	\$18,743	\$17,067	\$16,438	\$18,048	\$14,882	\$15,158	\$17,820	\$14,101	\$15,853	\$98,760	\$38,144	\$435,367.59
% Inv Missing		20%	18%	93%	93%	95%	96%	97%	98%	97%	96%	96%	97%	94%	9%	53%	77%
Southwestern Bell	Type I	\$3,317	\$403	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,843	\$0	\$ 5,762.67
	Type II	\$8,883	\$8,882	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,543	\$0	\$ 17,425.16
Total	Type I&II	\$12,200	\$13,285	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,386	\$0	\$ 23,187.83
% Inv Missing		88%	88%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	40%	100%	83%
Sprint	Type I	\$5,283	\$5,110	\$4,469	\$4,717	\$4,693	\$3,868	\$2,558	\$2,808	\$2,728	\$2,728	\$2,741	\$2,743	\$2,775	\$4,580	\$2,485	\$ 54,485.28
	Type II	\$11,878	\$11,759	\$12,342	\$14,288	\$18,828	\$12,828	\$15,782	\$18,882	\$15,901	\$18,828	\$18,288	\$18,488	\$12,254	\$17,784	\$8,873	\$ 214,381.28
Total	Type I&II	\$17,161	\$16,869	\$16,811	\$18,987	\$23,521	\$16,696	\$18,340	\$21,690	\$18,629	\$18,754	\$18,029	\$18,237	\$15,029	\$22,364	\$11,358	\$268,866.56
% Inv Missing		38%	36%	44%	38%	38%	44%	38%	36%	44%	44%	44%	46%	49%	23%	58%	41%
US West	Type I	\$5,061	\$5,062	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,738	\$0	\$5,107	\$1,548	\$ 25,282.88
% Inv Missing		40%	40%	100%	100%	100%	100%	100%	100%	100%	100%	100%	68%	100%	40%	60%	85%
Total		\$811,489	\$825,682	\$850,466	\$814,263	\$854,819	\$824,368	\$868,016	\$888,180	\$888,114	\$858,274	\$714,844	\$782,820	\$788,882	\$1,444,688	\$828,884	\$ 10,828,188.88
% Invoice Needed		44%	46%	64%	63%	67%	66%	62%	58%	58%	58%	58%	57%	55%	17%	68%	68%

3/27/98